

PART I – THE SCHEDULE

SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

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## B-1 DESIGNATION OF WORK AND FACILITIES

The Government expressly engages the Contractor to manage and perform work and services, and to manage, operate and maintain the facilities of Department of Energy (DOE) both as described in this contract and as designated in writing from time to time by DOE, including the utilization of information, material, funds, and other property of DOE, the collection of revenues, and the acquisition, sale or other disposal of property for DOE subject to the limitations as hereinafter set forth. The Contractor undertakes and promises to exert its best efforts to manage and perform said work and services and to manage, operate, and maintain said facilities, upon the terms and conditions herein provided and in accordance with such directions and instructions not inconsistent with this contract which DOE may deem necessary to give to the Contractor from time to time. In the absence of applicable directions and instructions from DOE, the Contractor will use its best judgment, skill and care in all matters pertaining to the performance of this contract.

## B-2 OBLIGATED FUNDS

The total amount of funds presently obligated by the Government with respect to this contract is \$5,311,657,745.63, such amount may be increased or decreased in accordance with the clause titled, Obligation of Funds, of the contract.

## B-3 ESTIMATED COST AND ANNUAL FEE

(a) The fee shall be annually negotiated and the contract will be modified to reflect the results of each completed fee negotiation in paragraph (b) below. Failure of the parties to agree upon a fee for any period of this contract shall be resolved pursuant to Clause I-46, "Disputes". Payment for the fixed fee portion (if any) of the negotiated fee shall be made in twelve equal monthly increments. Payments of fees shall be made without the need for a contract modification.

(b) Summary of Estimated Costs and Fee:

| Period                                  | Estimated<br>Cost | Total Available<br>Fee | Total Available<br>Performance –Based Fee | Total Available<br>Incentive Fee |
|---|-------------------|------------------------|---|----------------------------------|
| October 1, 1998 -<br>September 30, 1999 | \$469,000,000     | \$7,100,000            | \$5,700,000                               | \$1,400,000                      |